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September 20, 2005

John F. Carter, Director
FDIC – San Francisco Regional Office
25 Jesse Street at Ecker Square, Suite 2300
San Francisco, CA 94105

RE: Wal-Mart ILC Application

Dear Mr. Carter:

This letter is written to express concern over and opposition to Wal-Mart's application for FDIC insurance for its industrial loan company (ILC) in Utah. In general, the banking industry has opposed the mixing of banking and commerce. This position has been supported by Congress, particularly when it enacted the Financial Modernization Act of 1999, also known as the Gramm-Leach-Bliley Act. Congress indicated its opposition to the mixing of banking and commerce by stating it represents bad public policy that could jeopardize the impartial allocation of credit and create conflicts of interest.

It is our understanding that the Wal-Mart ILC application in Utah does not seek broad "banking" powers; however, once the charter is granted, expanded powers, including nationwide branching, could be sought. The vast resources of Wal-Mart would have an adverse impact on community banks, in much the same manner that Wal-Mart's presence has had on other retail establishments in the communities in which it has located.

It is our position a nationwide banking operation by Wal-Mart would pose a significant systemic risk. The potential size of a Wal-Mart banking operation would represent an ill-advised and unprecedented concentration of economic power.

Thank you for your consideration of these comments.

Sincerely,

Thomas G. Damkroger
CEO

TGd/lkm